

STATE OF NEBRASKA



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DEPARTMENT OF BANKING AND FINANCE

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FOR IMMEDIATE RELEASE

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NDBF Issues Orders Against Fast Money

The Nebraska Department of Banking and Finance (NDBF) issued orders against JHK, Inc., otherwise known as Fast Money, located at 1101 Arapahoe St., Ste 104A, Lincoln, to cease the practice of allowing customers to pay only an illegal "fee," and not the full amount of the check held, which enables Fast Money to extend the period of time for a transaction beyond the legal limit. NDBF also issued an order to show cause why Fast Money's license should not be revoked or suspended, and/or have a fine assessed for violating State of Nebraska Delayed Deposit Service (DDS) laws. DDS transactions are commonly referred to as payday loans.

The Department received an inquiry from a Nebraskan in July 2005 indicating that a Fast Money representative had stated new laws were in effect limiting the amount of time checks could be held to 14 days versus the actual maximum legal holding time of 31 days. The Department was informed by the consumer that Fast Money was refinancing the transactions for additional fees.

NDBF investigated these allegations and determined that there was substantial evidence that Fast Money was, in fact, rolling over DDS transactions and charging fees each time it rolled over a transaction. This is in direct violation of Nebraska laws which state DDS companies may charge a maximum, one-time fee of \$15 for every \$100 advanced (outstanding checks for each individual may total no more than \$500 including the fee). Customers have a maximum of 31 days to pay the company the amount of the check or the company must deposit the check.

According to NDBF Legal Counsel Michael Cameron, Fast Money had been investigated and warned about similar alleged abuse in August 2001. "There was insufficient evidence to prove or disprove the allegation at that time," he said, "However, in the most recent complaint investigation, it appears that there is evidence to suggest that Fast Money was engaging in such prohibited conduct.

During the most recent investigation, NDBF examiners also discovered more than 130 potential violations where Fast Money appeared to hold checks longer than the 31-day maximum set by Nebraska law. A hearing has been set for Dec. 14 at 9 a.m., Room 571 of the Wells Fargo Building.

"Delayed Deposit Services can help cash-strapped Nebraskans," said Karen Reynolds, NDBF Review Examiner, "if they are used on a short-term basis for unplanned or emergency situations when a standard loan isn't an option. If any consumers are concerned about their Fast Money accounts, I would encourage them to contact our agency."

If you have questions about this issue or any investing or banking matter please call the NDBF Consumer Hotline toll free at (877) 471-3445, or online at www.ndbf.org.